

Changes for Federal Program Ongoing Rental Compliance Manual: 2<sup>nd</sup> Edition

The following list does not include minor formatting or grammatical changes.

**NOTE: Clarified throughout the text that this manual also applies to ongoing compliance for NSP funded rental properties.**

Section 1: Key Terms and Concepts

- 1.3- Clarified affordability period begin date
- 1.6- Added new section on applicability of HOME rules to CDBG, CDBG-D, and NSP properties

Section 2: Responsibilities

- 2.2(F)- Added comment about responsibility to maintain agreed upon services, amenities, and special needs units throughout the affordability period
- 2.2(L)- Affirmative Fair Housing Marketing Plan now required to use HUD Form 935.2A. This policy was previously announced in RED Notice 12-43 and has already been updated in the *Strategic Investment Process Award Compliance Manual*.

Broke out previous Section 3 into two different sections now labeled Sections 3 and 4

Section 3: Income Limits, Rent Limits, and Utility Allowances

- 3.1(C) & 3.2(D)- Clarified that the over-income temporary noncompliance rule only applies to HOME-assisted units
- 3.2(E)- Added clarification on prohibited fees
- 3.3(B)- Updated titles of utility allowance forms

Section 4: Compliance Regulations

- 4.1(d)- Added guidance on verifying need for a live-in aide
- 4.1(F)- Added note that IHCD will request to see a copy of current referral agreements when conducting file audits.
- 4.2(A)(2)- Affirmative Fair Housing Marketing Plan now required to use HUD Form 935.2A. This policy was previously announced in RED Notice 12-43 and has already been updated in the *Strategic Investment Process Award Compliance Manual*.
- 4.2(B)- Added Fair Housing definition of disability and verifying disability
- 4.2(B)(1)- Added information on service animals
- 4.2(B)(3)- Added information on steps to process reasonable accommodation and modification requests
- 4.3(D)(4)- Added information on Equal Access to Housing Regardless of Sexual Orientation or Gender Identity
- 4.4(C)- Added new section on ongoing lead-based paint requirements

## Section 5: Qualifying Tenants for Program Units

- 5.1(B) & 5.2- Added clarification that projects with Section 42 tax credits should use tax credit TIC and Questionnaire forms rather than the HOME/CDBG/NSP versions of the forms
- 5.4(B)- Added clarification on sporadic income, seasonal income, and unsecured income
- 5.6(A)- Added clarifications on general lease requirements
- 5.6(E)- Added clarifications on good-cause for eviction or termination of tenancy

## Section 6: Compliance Monitoring Procedures

NO CHANGES

## Section 7: Noncompliance

- 7.6- Corrected section on recapture. Previous edition included recapture charts that were not applicable to rental projects.
- 7.7- Added new section on suspension and debarment
- 7.8- Added new section on tenant fraud issues
- 7.9- Added new section on recipient fraud issues

## Section 8: Glossary

Added definitions for the following terms

- Debarment
- Disabled (for purposes of Fair Housing)
- Service Animal
- Suspension
- Suspension List
- Suspension Recommendation